Tie-up Indian banks with Israeli firm

700. SHRI SATISH PRADHAN: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that an Israeli firm with pioneering expertise in drip irrigation has tied up with some Indian banks to facilitate loans for drip irrigation projects in the country; and

(b) if so, what is Government's response thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) and (b) M/s. Netafim Irrigation India Private Ltd., a subsidiary of Netafim A.C.S. has reportedly tied up with ICICI Bank for lending money to the farmers for acquiring drip irrigation systems.

Investment of commercial bank in Government securities

701. DR. MANMOHAN SINGH: Will the Minister of FINANCE be pleased to state:

(a) the extent of commercial bank investments in approved Government securities as a proportion of their total assets at the end of September, 2003; and

(b) in what manner this proportion compares with the statutory minimum liquidity ratio?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) and (b) Scheduled Commercial Banks (excluding RRBs) have maintained 42.0 per cent investment in Government and other approved securities of their net demand and time liabilities (NDTL) as on September 19,2003, which was 17.0 per cent higher than the statutory minimum of 25 per cent of statutory liquidity ratio (SLR) required to be maintained.

Trend in lending to agriculture and small scale industry

702. DR. MANMOHAN SINGH: Will the Minister of FINANCE be pleased to state:

(a) the emerging trend in commercial bank lending to agriculture and small scale industry;

(b) whether Government are satisfied with this trend; and

(c) if not, what additional measures are contemplated to increase the flow of bank credit for agriculture and small scale industry?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) The outstanding advances of public sector banks to agriculture and Small Scale Industries (SSIs) as at the end of March for the last five years is given below:-

(Rs. crore)

Year	Agriculture	SSIs
	Amount Outstanding	Amount Outstanding
1999	40078	42674
2000	45296	46045
2001	53571	48400
2002@	63083	49743
2003@	73507	52988

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(b) and (c) Though lending to agriculture and SSIs has gone up considerably in absolute terms, it is still short of the target set for lending to these sectors. Government has initiated a series of measures in recent past so as to ensure enhanced flow of bank credit to agriculture and SSI sectors. These measures include:-

* Advice to commercial banks to step up their direct lending to agriculture so as to achieve the target of 18 per cent of NBC;
* Advice to public sector banks to prepare Special Agriculture Credit Plans (SACP) for increasing credit flow to agriculture;
* Coverage of all eligible farmers by March 31,2004 under the Kisan Credit Card Scheme;
* Refinance to banks at concessional rate of interest to enable them to increase credit flow to agriculture sector;

* Advice to all public sector banks to provide crop loans up to Rs. 50,000/- at 9 per cent rate of interest to cover almost all small and marginal farmers;
* Advice to banks to increase the limit of dispensation of collateral requirement for loans from the existing level of Rs. 15 lakh to Rs. 25 lakh based on the good track record and financial position of the SSI units; and
* Inclusion of lending by banks to Non-Banking Financial Companies (NBFCs) or other intermediaries for the purpose of on-lending to the tiny sector within the ambit of priority sector lending.

Foreign loans received by State Governments

703. SHRI NILOTPAL BASU: Will the Minister of FINANCE be pleased to state:

(a) the foreign loans received by the State Governments from bilateral and multilateral sources during the last three years, State-wise, year-wise and institution-wise;

(b) the interest charged on the Central Government on account of each of these loans;

(c) the interest rate charged on the State Governments by the Central Government on them; and

(d) whether Government are considering passing down the benefits to the States?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) The State-wise and source-wise details of foreign loans disbursed during the last three years are given in the enclosed Statements I and II (See below).

(b) The year-wise details of interest paid by the Central Government are given in the enclosed Statement-III *(See* below). The multilateral and bilateral agencies are providing credit/loan to the Central Government on their usual terms and conditions. These terms are mentioned in the annexed Statement-IV (See below).

(c) and (d) The external assistance received from various multilateral and bilateral agencies is passed on by the Government of India to the States as Additional Central Assistance (ACA) on the same terms and conditions as Central assistance for the State plans. For States not falling